

MEMORANDUM



DATE: May 25, 2010
TO: Representative Cushingberry, Chair, House Appropriations Committee
FROM: Kyle I. Jen, Associate Director
RE: Federal Pell Grant Program

The vast majority of federal grant aid to students pursuing postsecondary education is distributed through the Pell Grant Program. Pell Grant awards are available to undergraduate students attending both public and private postsecondary institutions. Award eligibility is determined based on a student's expected family contribution (calculated based on student/family income and assets), the cost of attendance at a particular institution, and the student's enrollment status.

Pell Grant funding is not appropriated in the state budget. The federal government makes payments directly to postsecondary institutions for student awards at each institution.

In academic year 2007-08, 198,699 students enrolled at postsecondary institutions in Michigan received a total of \$496.8 million in Pell Grant awards. The table below shows the number and total amount of awards by postsecondary sector.

2007-08 Pell Grant Awards in Michigan

Sector	# of Awards	Award Amount
Public (4-Year and 2-Year)	137,059	\$348,101,279
Private	42,001	99,730,895
Proprietary	19,639	48,998,956
TOTAL	198,699	\$496,831,130

Source: U.S. Department of Education

The table below shows the number and total amount of Pell Grant awards received by students at Michigan's 15 public universities in academic year 2008-09. A total of 56,832 students received \$181.3 million in Pell Grant awards.

2008-09 Pell Grant Awards: Public Universities

Sector	# of Awards	Award Amount
Central	5,021	\$15,862,222
Eastern	5,509	17,165,672
Ferris	4,015	12,727,819
Grand Valley	4,822	15,053,408
Lake Superior	948	2,987,842
Michigan State	7,060	24,154,543
Michigan Tech	1,272	3,930,853
Northern	2,792	8,789,330

Oakland	2,760	8,386,746
Saginaw Valley	2,506	7,788,071
UM-Ann Arbor	3,410	11,174,889
UM-Dearborn	2,149	6,544,846
UM-Flint	2,347	7,391,130
Wayne State	7,623	24,545,022
Western	4,598	14,833,998
TOTAL	56,832	\$181,336,391

Source: HEIDI database

The federal American Recovery Reinvestment Act of 2009 provided funding to increase the maximum Pell Grant award level from \$4,850 to \$5,350 for academic year 2009-10 and \$5,550 for academic year 2010-11. The federal Health Care and Reconciliation Act of 2010 extended the \$5,550 award level and indexed the level to inflation for certain future years.

Please let me know if you have any questions about this information.

c: Representative Joan Bauer, Chair, Appropriations Subcommittee on Higher Education
Mitch Bean, HFA Director

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